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DEPARTMENT FOR KMCKELLOG

E.O. 12958: N/A

TAGS: [PREL](#) [NZ](#) [XV](#)

SUBJECT: NEW ZEALAND'S INCREASED AID BUDGET WILL BENEFIT  
THE PACIFIC ISLANDS

REF: WELLINGTON 350

[1](#)1. Summary: Foreign Minister Winston Peters announced on May 14 a record increase of NZD 70 million (about USD 50 million) to New Zealand's overseas development assistance (ODA) for the 2007/2008 fiscal year. Over half of the 20 percent budget increase will go to the Pacific, particularly Melanesia. New Zealand's total assistance budget now totals NZD 429 million (USD 300 million). Over the past five years, the GNZ has steadily increased aid to the Pacific, with 50 percent of New Zealand's overall aid program now being aimed at the region. (End Summary)

Raising its Effort in Melanesia  
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[1](#)2. On May 14, Foreign Minister Winston Peters announced substantial increases of NZD 70 million in overseas development assistance (ODA) for the 2007/2008 fiscal year. He also pledged further increases through 2010/2011. Raising New Zealand's total ODA to NZD 429 million (USD 300 million), the current budget increase builds on a steady five-year increase in ODA and a continued, gradual shift in allocation that will send half of New Zealand's ODA directly to the Pacific region. Of the 2007/2008 budget increase, more than half will go to the Pacific, "particularly in the Melanesian countries of Papua New Guinea, Solomon Islands, and Vanuatu, where the need is greatest," Peters said.

[1](#)3. In Papua New Guinea, increases targeting assistance to governance, growth and rural livelihoods will bring the country program budget to NZD 21.5 million (USD 16 million). A series of further increases will lift the country program to NZD 40 million (USD 29 million) by 2010/2011.

[1](#)4. In the Solomon Islands, the 2007/2008 increases will raise bilateral assistance to that country to NZD 30.8 million (USD 22.5 million). The country program focuses on development needs in education, infrastructure and rural development. The majority of new money in 2007/2008 will go to recovery efforts in the Western Province and Choisel following the tsunami. Future increases will raise the program to an

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estimated NZD 40 million (USD 29 million) by 2010/2011.

[1](#)5. In Vanuatu, the 2007/2008 budget increases will bring the country program to NZD 15 million (USD 11 million). The program focus areas are education, economic development and governance. Future increases will take the program to an estimated NZD 20 million (USD 14.5 million) by 2010/2011.  
Keegan